

## Attachment 2



### Economic Vitality Corporation

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July 11, 2016

COUNTY OF SAN LUIS OBISPO  
1055 Monterey Street, Room D-430  
San Luis Obispo, CA 93408

Attn: Mr. Guy Savage, Assistant County Administrative Officer  
Mr. Trevor Keith, Deputy Director, County Planning & Building Department

RE: **Quarterly Status Report, 4th Quarter fiscal year 2015/2016**

Dear Mr. Savage and Mr. Keith,

Please find attached the fourth quarter status report for the EVC's contract with the County for the 2015-2016 fiscal year.

The EVC continues to advance our mission to stimulate the economic vitality of San Luis Obispo County by generating jobs, increasing investment in the community and promoting the start-up, growth and attraction of businesses. Much of our success is in large part due to the private-public partnership forged with the County through the Economic Strategy Project, which facilitates a cluster-based, regionally-focused strategy to economic development. We are pleased with the continued progress of this Project.

With the recent news about the future shutdown of Diablo Canyon Power Plant, it is becoming more evident that the EVC is well-positioned to facilitate collaboration among stakeholders to further develop strategies to mitigate the loss of economic impacts to our community and to benefit from the changes and decommissioning that will ensue. The EVC has already begun facilitating community discussions and collaborations with key stakeholders to chart a course forward that best positions our community to transition and thrive well into the future. Additionally, we continue to make significant progress on many long term strategy initiatives vital to our local economy such as workforce development, workforce housing, infrastructure, broadband and more.

The EVC continues to be an effective convener and facilitator between local governments and the business community, as well as those seeking to make investments here to create jobs and expand businesses. On a statewide level, we are working as an active partner with the California Stewardship Network and the California Economic Summit to develop and share best practices and policies that will beneficially affect our local economy.

On behalf of the entire EVC Board of Directors and staff, thank you for the County's support of the EVC as we continue to identify and address economic challenges and opportunities through resources and solutions.

Please do not hesitate to contact me directly if you have any comments or questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Manchak", is written over a horizontal line.

Michael E. Manchak  
President & CEO

cc: Ziyad Nacassha, Board Chair, EVC  
Kris Vardas, Chair, Economic Strategy Project  
Jim Bergman, Director, Planning & Building Dept.  
Melissa James, Director of Economic Development, EVC

**QUARTERLY PROGRESS REPORT**

Produced by

**Economic Vitality Corporation**

Produced for

**County of San Luis Obispo**

**Quarterly Report for 4th Quarter fiscal year 2015/2016**

*The following is a compilation of the progress made on the scope of work on the EVC contract with the County for the fiscal year beginning July 1, 2015.*

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### SCOPE OF WORK

The following is an excerpt of the entire section of Scope of Work from the EVC's current contract.

#### **1. Scope of Work**

The Scope of Work shall include tasks and activities deemed necessary by the EVC to implement economic development programs identified in the Economic Element of the County General Plan. Said tasks and activities shall be completed prior to July 1, 2016. The following quantified objectives will be employed by the County to evaluate the EVC performance under this Agreement:

- A. Assist the County by facilitating implementation and preparing updates as needed for a countywide economic strategy.
- B. Obtain matching funds in an amount at least equal to the amount of funding provided by the County (any non-county funding secured by the EVC for the countywide economic strategic plan shall be counted toward this matching funds performance objective);
- C. Convene at least one seminar on a topic related to the economic strategy that will assist and improve county businesses and the county economy.
- D. Act as a referral agency to the County, engaging cluster industry stakeholders and facilitating input on proposed policy adoption and modification actions. Topics for which such referral services will be needed by the County include but are not limited to workforce housing amendments and procedures for economic impact analyses of discretionary permit applications.
- E. Monitor opportunities for statewide action pertaining to economic initiatives such as California Forward, the California Economic Summit, and the California Stewardship Network. Engage cluster industry and the community stakeholders as feasible and appropriate.
- F. Establish and maintain collaborative relationships with economic development and workforce development partners locally and in adjacent regions (Monterey, Santa Barbara, Ventura).

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### CONTRACT DELIVERABLES

Pursuant to the Scope of Work above, the EVC has accomplished the following deliverables excerpted below (page 2 of contract, sections 1 A-F):

- A. ***Assist the County by facilitating implementation and preparing updates as needed for a countywide economic strategy.***

**Deliverable since the last quarterly report:**

The Economic Strategy Project is one of the EVC's highest priorities and we continue to dedicate a significant level of resources and staff to it. An update on the Economic Strategy Project was presented to the County Board of Supervisors on July 21, 2015 by Kris Vardas, Chair of the Economic Strategy Project. Additionally, EVC staff meets periodically with County staff and County Supervisors, two of whom are on the EVC Board of Directors as Government Liaisons Representatives to give updates and solicit input. We continue to advance partnerships with other organizations to ensure effective project implementation.

With recent news about the forthcoming shutdown of Diablo Canyon Power Plant (DCPP), the EVC is beginning discussions with local leaders to determine what refinements to the Economic Strategy are necessary in order to ensure a smooth transition to a post-DCPP economy. Any such refinements would be made with the intention of mitigating any potential negative economic impacts that are a result of the shutdown of the DCPP and accelerating the strategic economic growth of our community

- B. ***Obtain matching funds in an amount at least equal to the amount of funding provided by the County (any non-county funding secured by the EVC for the countywide economic strategic plan shall be counted toward this matching funds performance objective);***

**Deliverable since the last quarterly report:**

As a public / private partnership, the EVC obtains funding from the County as its single and largest funding source, and receives funding from each of the seven cities, the business community, and grants. The timeline for fundraising occurs throughout the year. To date, the EVC has collected all government (public) sector funding as planned, and as of this date, we have collected all of our private sector sponsorships for the fiscal year. In addition, we are very proud to announce that we have gained fifteen new private sector sponsors, including Amazon Corporation.

The EVC is proactive in seeking dollars from outside of our County primarily through grants, to more effectively provide resources for projects and programs.

1. The EVC built upon its partnership with Santa Barbara and Ventura counties to apply for a second, two-year grant from the State's California Energy Commission for the continued work of the tri-counties broadband consortium called the "Broadband Consortium Pacific Coast". If awarded, this grant would likely be \$300,000 for two years shared among the organizations in the three counties.

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2. The EVC secured funding from the San Luis Obispo County Office of Education's SLOPE program, which manages a statewide grant from the California Office of Education, to fund and expand the development of the Economic Dashboard. This grant, in the amount of \$18,500, was key funding to develop the Economic Dashboard.
3. The EVC secured funding from Dignity Health of the Central Coast to fund and expand the Economic Dashboard. This funding is in the amount of \$15,000 to help pay for updates, data subscriptions and staffing for this long-term project.
4. The EVC secured another year's worth of funding from the Morgan Family Foundation of Silicon Valley to continue the EVC's participation in the California Stewardship Network (CSN), which represents over one dozen regions throughout the state. CSN members work collaboratively to advance the economic prosperity of our State on the regional level. The annual grant for 2016 received recently is in the amount of \$55,000.

- C. ***Convene at least one seminar on a topic related to the economic strategy that will assist and improve county businesses and the county economy.***

**Deliverable since the last quarterly report:**

**3<sup>rd</sup> Annual Workforce Housing Summit**

The EVC is working with key organizational stakeholders as well as County staff on regional housing solutions. We have established a group called the Housing Collaborative of the Central Coast ("HC3") that has worked throughout the year to host community forums on the topic of workforce housing and is planning to host the third annual summit in fall 2016.

This group has built momentum and includes the following participants:

- Economic Vitality Corporation
- Home Builders Association (Central Coast Chapter)
- California Association of Realtors (Central Coast Chapter)
- Human Resources Association (Central Coast Chapter)
- Central Coast Mortgage Consultants
- San Luis Obispo Chamber of Commerce

Additionally, along with staff from the County, we attended a Santa Barbara Workforce Housing Forum in May to glean best practices and ideas from their community that we might be able to apply here. A complementary effort being carried out is educating the public on the importance of workforce housing to our local economy and community. Representatives of our group have developed press articles, engaged in public radio, presented before community groups, and created content in newsletters to help communicate the needs and challenges of the jobs/housing imbalance with larger audiences.

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### **1. Regional Economy Event**

We are exploring the possibility of an event that would focus on an in-depth discussion of a San Luis Obispo economy post-DCPP. The event would include input from the six key industry clusters of the Economic Strategy Project, as well as County and city staff. The event would be similar in nature to the Economic Forecast in that it would provide interesting and helpful economic information and insight into the way our regional economy might handle the shut-down. A key part of this event would be forward thinking in our vision for the future.

### **2. Steering Committee Meeting**

A meeting was convened in March 2016 to establish the Steering Committee of the Economic Strategy project. The Steering Committee is comprised of EVC Staff, County Staff, Chair of the Economic Strategy Project, and all past and current Cluster Chairs. Designed to be the governing body of the Project, the Steering Committee identified Workforce Talent, Workforce Housing, Infrastructure and Broadband as the key initiatives to pursue in 2016. In particular, the committee discussed potential Workforce Housing solutions and outreach needs.

We are in the beginning stages of hosting a Steering Committee meeting this summer to engage each of the Cluster Chairs specifically around the recent news about DCPD and how to best foster growth and expansion with the six industry clusters of the Economic Strategy.

### **3. Diablo Task Force Exploration**

The EVC has begun canvassing the business community on the recent announced closure of the DCPD. Additionally, the EVC has helped to facilitate two stakeholder meetings to begin discussing the joint agreement and how to work in coordination and collaboration with community partners to effectively transition our community and plan for a new economic future post-DCPD.

In addition to these preliminary conversations, the EVC has been working with Senator Bill Monning on SB968 which proposes an Economic Impact and Mitigation study regarding DCPD. We are in conversations about proposing amendments to the bill to ensure its effectiveness and usefulness to our community now that the DCPD closure is a reality.

- D. ***Act as a referral agency to the County, engaging cluster industry stakeholders and facilitating input on proposed policy adoption and modification actions. Topics for which such referral services will be needed by the County include but are not limited to workforce housing amendments and procedures for economic impact analyses of discretionary permit applications.***

### **Deliverable since the last quarterly report:**

The EVC is the voice of the County's business community and it works with local government to find common ground and facilitate policy solutions to address significant issues facing local businesses and citizens.

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### **BD&C Infrastructure Committee**

The Infrastructure Committee is a sub-group of the Economic Strategy's Building Design & Construction Cluster. The mission of this group is to help address solutions to one of the most vexing problems our region's economy, and advise the County on infrastructure needs from the business community's standpoint. The committee and cluster continue to gain momentum and are pleased to report more progress and collaboration that has been made since its inception. The committee continues to act as a referral body to the County, particularly with the Planning & Building and Public Works Departments, to strategize over the County's infrastructure needs. The committee is comprised of business leaders who meet with other industry leaders. The County has been a strong partner in this process, and the committee is providing meaningful feedback on items such as Capital Improvement Project prioritization, Circulation Studies, Community Plans, etc.

The Infrastructure Committee met several times with County staff to discuss the challenges to infrastructure within the County. The committee also worked closely with County staff to give input on the San Miguel Community Plan.

The Infrastructure Committee is exploring ideas related to water infrastructure in South County. In addition, the committee has been closely involved with the development of housing policy options as they relate to the development of infrastructure (See section 2 for further information).

### **Regional Workforce Housing Solutions Task Force**

The EVC has forged partnerships with the Home Builders Association of the Central Coast and the San Luis Obispo Chamber of Commerce to develop Workforce Housing solutions in partnership with County staff. Collectively, our group held a series of stakeholder meetings to gather input and insight into housing related policies for County staff to consider, refine and ultimately present to decision makers. Additionally, the EVC formed a partnership with Cal Poly's Masters in Public Policy Program to leverage the research potential with the University in a true "Learn by Doing" public/private partnership.

The series of stakeholder meetings and discussions resulted initially in twenty policy options that could be pursued. These policy options were refined to a more concise list to focus efforts towards more viable solutions. The policy options were placed into five main categories:

- Zoning
- Process Time
- Fees
- Infrastructure
- CEQA

A total of seven policy recommendations were submitted to County staff for further research and discussion on June 16, 2016. The seven policy recommendations are as follows:

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1. Zoning: Zone for large scale projects
2. Process Time: Streamline process calendar
3. Process Time: Establish floor on housing growth
4. Fees: Scale fees to unit size
5. Fees: Revise timing of payment within fee schedule
6. Infrastructure: Regional approach to funding and spending
7. CEQA: Administrative draft review of EIR

EVC Staff, along with the Home Builders Association, the San Luis Obispo Chamber of Commerce, and other stakeholders are in regular and active communications with County staff regarding the housing policy planning that is taking place in the next few weeks in preparation for presentation before the Board of Supervisors in September.

### **Workforce Housing Ordinance Committee**

This Committee is comprised of County staff and industry stakeholders who have developed a draft Workforce Housing Ordinance and Design Guidelines. County staff recently engaged the Committee to receive input on some of the amendments to the current draft, which is slated to go before the County Planning Commission in July 2016. The group is enthusiastic about the progress and is looking forward to supporting the successful implementation of the ordinance.

### **Broadband Consortium of the Central Coast**

The Broadband Consortium of the Pacific Coast (BCPC) is a tri-county collaboration funded by a three-year state grant to help improve broadband deployment, access, adoption and policies throughout San Luis Obispo, Santa Barbara and Ventura counties. All three counties continue to develop strategies for evaluating and mapping infrastructure. SLO County's IT Director, Daniel Milei, and his Department develops GIS mapping for Broadband infrastructure needs throughout the County. This map-based information will be used to identify opportunities to establish potential collaborations to share fiber-optic installations by the private and public sectors.

Our Broadband Consortium contracted with TELLUS VENTURES to conduct a tri-county technical assessment of the Broadband infrastructure challenges and opportunities throughout each of the three counties. A final report and outreach materials is being finalized and a forum was held on April 13<sup>th</sup> that included county, city, and private sector participants. The findings included an analysis of the opportunities for expansion of broadband as well as potential opportunities for grant funding for projects in our community.

### **Workforce Talent Pathways**

In an effort to prepare students at the local high schools, Cuesta College, and Cal Poly San Luis Obispo, we are forming a partnership with San Luis Obispo Partnership in Education (SLOPE), the Workforce Development Board and Cuesta College. This partnership, currently taking shape in the form of quarterly discussions, is intended to identify ways to ensure



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students select classes and training opportunities that can directly translate into jobs that exist in the local economy.

### **Slingshot (A healthcare initiative)**

The Slingshot Initiative, a state-wide effort, is an opportunity for industry leaders to join together with community partners to address key requirements for growth such as talent. Ultimately, the goal of the initiative is to leverage more than \$1 million funding statewide and transform how industry and community work together to promote regional prosperity and economic mobility for local residents. This effort, joined by the Workforce Development Board and the EVC, is intended to facilitate a conversation among health care professionals to identify local priorities and mobilize for action locally or regionally if there are shared priorities with other counties. The EVC is beginning conversations with the Workforce Development Board to establish how this effort will take shape. This may include partnerships with San Luis Obispo Partnership in Education (SLOPE) and Cuesta College with regards to the already mentioned talent pathways.

- E. ***Monitor opportunities for statewide action pertaining to economic initiatives such as California Forward, the California Economic Summit, and the California Stewardship Network. Engage cluster industry and the community stakeholders as feasible and appropriate.***

#### **Deliverable:**

The EVC continues to participate as a regional lead on the California Stewardship Network, a statewide economic development group which represents twelve regions that started the California Economic Summit and influenced positive changes in statewide policies through Action Teams. The California Economic Summit in November of 2015 resulted in the following overarching objectives: Infrastructure, Access to Capital, Workforce, and Workforce Housing.

- F. ***Establish and maintain collaborative relationships with economic development and workforce development partners locally and in adjacent regions (Monterey, Santa Barbara, and Ventura).***

#### **Deliverable since the last quarterly report:**

The EVC works actively with our neighboring counties on several initiatives that include such projects as the PACIFIC COAST BROADBAND CONSORTIUM, 805CONNECT, the ECONOMIC DASHBOARD, and the CALIFORNIA STEWARDSHIP NETWORK. These projects, in varying degrees of completion, are making significant progress on broadband and connecting businesses, respectively. The EVC is a member of the Workforce Development Board and we continue to collaborate on workforce related issues, including neighboring counties through their Workforce Development Boards.

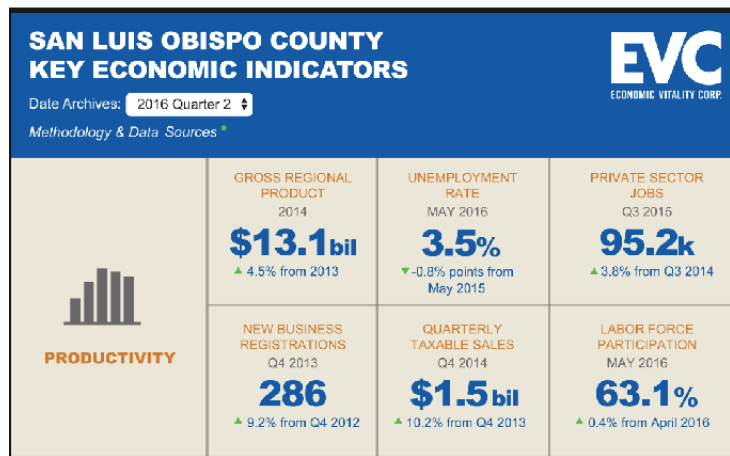
### **Economic Dashboard**

On May 18, 2016, the EVC launched the [Economic Dashboard](#) to provide access to economic data for our County. This resource, which is updated as new data becomes available, will help citizens, government and businesses to quickly and efficiently see a graphical interface of our local economy, as well as the status of the six industry clusters. Twenty-four economic indicators from 18 different data sources are provided on the Dashboard, including average home price,

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unemployment rate and airport passengers. The EVC hired Sacramento-based CALIFORNIA CENTER FOR JOBS AND THE ECONOMY and the CALIFORNIA BUSINESS ROUNDTABLE. The dashboard was funded by the San Luis Obispo Partners in Education, a program funded by the state and affiliated with the County Office of Education, as well as Dignity Health of the Central Coast, and Southern California Gas Company.

The EVC also partnered with the San Luis Obispo Tribune, who has included the Dashboard on their website for readers to access and has agreed to print the dashboard and related press stories quarterly. The launch of the Dashboard garnered significant press from the San Luis Obispo Tribune, the Pacific Coast Business Times and KCBX. EVC Staff has also presented the Economic Dashboard to community groups in an effort to ensure that business and government leaders as well as the public are well aware of the information being provided on the site.



To view full dashboard visit [www.sloevc.org/Dashboard](http://www.sloevc.org/Dashboard)

### Communications and Marketing

In conjunction with the launch of the Economic Dashboard, the EVC also redesigned its website to enhance its communication and access to resources and information for the public, both locally and out of the region. With the unveiling of the website, the EVC also redesigned its newsletter and launched multiple social media platforms (i.e. Twitter, Facebook) to reach multiple types of audiences and increase access to industry and cluster information. Reaching a younger audience has been a strategic imperative as they are the future of our economy and engagement is critical.

New EVC Website Homepage



San Luis Obispo County Regional Airport

The EVC works closely with the leadership of both the San Luis Obispo County Regional Airport and Visit San Luis Obispo to ensure that tourists and businesses have easy access to all the region has to offer. Access through additional flights in and out of San Luis Obispo is critical to the economy, as it fosters tourism and allows businesses to be able to access other markets. On June 29<sup>th</sup>, the SLO County Regional Airport announced the addition of a daily, non-stop flight to Seattle through Alaska Airlines. This addition, made possible through the collaboration of the aforementioned groups, is a major step towards regaining the air service the County lost in the recession, and in growing our economy. The EVC helped organize and participated in the public announcement of the additional flight which begins April 13, 2017.

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